ICMI Cyanide Code Gold Mining Recertification Audit

Summary Audit Report

San Andres Mine – Aura Minerals Inc.

La Unión, Copán, Honduras

Submitted to:
The International Cyanide Management Institute
1400 I Street, NW – Suite 550
Washington, DC 20005
USA

2021 Audit Cycle

11762 Calle Vivienda, San Diego,
CA, 92128, USA
www.smartaccess.us

Table of Contents

Mining Operation: San Andres Mine

Mine Owner: Aura Minerals Inc

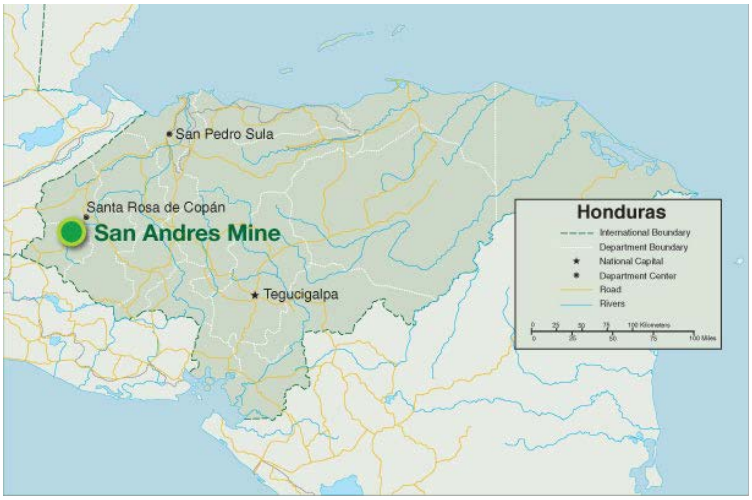
Mine Operator: Sociedad Mercantil Minerales de Occidente S.A. de C.V. (MINOSA).

Name of Responsible Manager: Julio Beraun Sanchez, General Manager

Address and Contact Information:
Sociedad Mercantil Minerales de Occidente (MINOSA)
Barrio El Calvario, 4ta Avenida S.O.
Santa Rosa de Copan, Honduras
Email: palvarenga@auraminerals.com
Tel: +(504) 2662-1232
Fax: +(504) 2662-1231

Location and description of the operation

The location of the San Andres mine is presented in the picture below



The San Andres Mine is an open-pit heap leach gold mine located in the highlands of western Honduras, in the municipality of La Union, Department of Copan, Honduras, approximately 300 kilometers northwest of the country's capital city, Tegucigalpa, and covers 399 hectares. The mine has been in production since 1983 and has well-developed infrastructure, which includes power and water supply, warehouses, maintenance facilities, assay laboratory, and on-site camp facilities.

After acquiring the mine in August 2009, Aura Minerals completed an expansion project, consisting of a new primary crusher-conveyor system and a new stacking system. The new crusher-conveyor system has significantly reduced mine ore haulage distances and provides an opportunity to increase throughput. The new stacking system has increased the rate of ore stacked on the leach pad, thereby increasing throughput.

The mine is a heap leach operation with two stages of crushing. Mining at the San Andres Mine is currently carried out by an national contactor using conventional earth-moving equipment. Current production is approximately 4.9 million tons of ore per annum with an additional 2.4 million tons of waste moved annually.

Open-pit mining at the San Andres Mine commenced at the Water Tank Hill deposit. This pit was depleted by early 2003 and is currently in the reclamation process. Mining began in the East Ledge pit in early 2003. Mining at the East Ledge pit is currently shut down and will resume once the expansion plan implementation is underway. Present production at the San Andres Mine is entirely from the Twin Hills open-pit operation. Waste rock from the Twin Hills pit is currently being used to fill and reclaim the upper southeast side of the East Ledge pit.

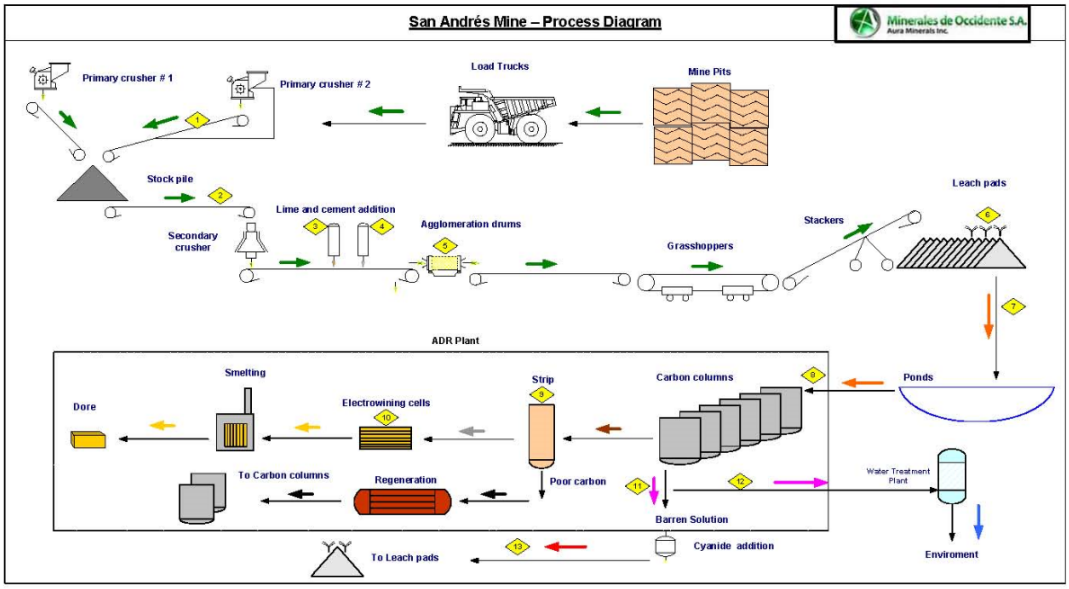
From 1998 to 2011, the San Andres Mine treated approximately 39 million tons of material at an average grade of 0.86 g/t Au. Currently, the mine produces approximately 450,000 tons of ore

per month. Since acquiring the mine in August 2009, a new primary crusher-conveyor system has been installed and has significantly reduced haulage distances and improved efficiency of the system. During the first quarter of 2012 a new mine contractor with a proven track record was commissioned to take over the mining operations.

The crushing circuit consists of a primary jaw crusher and secondary cone crushers, which reduces the ore size to a nominal 80% passing three inches for leaching. The ore is friable so a significant amount of fines is produced during the crushing stage. These fines are agglomerated using a combination of cement and lime. The crushed and agglomerated product is transferred to a series of conveyors to distribute the material on to the leach pads in 6 meter lifts for leaching. A conventional carbon absorption facility (ADR Plant) is used to recover the gold from process solutions and produce a final gold doré product. The new primary crusher, conveyer and agglomeration facility and stacking system have been commissioned at the San Andres Mine. These capital projects have significantly reduced the ore haulage costs and improved efficiency of the system.

During the first quarter of 2012, further steps have been taken to improve production at San Andres including replacing the primary crusher wobbler with a vibrating grizzly screen ahead of the jaw crusher to improve plant operating time, throughput and efficiency.

The San Andres mine ore processing flowsheet is presented below:



Auditor's Finding

The ICMI-approved Audit Team verified that the San Andres operation is in SUBSTANTIAL COMPLIANCE with ICMI Cyanide Code requirements for Mining operations.

San Andres has experienced zero significant cyanide incidents during this 3-year recertification audit cycle.

This operation was determined to be in SUBSTANTIAL COMPLIANCE with the International Cyanide Management Code.

Auditor's Attestation

Audit Company:	SmartAccEss Socio Environmental Consulting, LLC
Lead & Mining Technical Auditor:	Luis (Tito) Campos E-mail: titocampos@smartaccess.us
Date(s) of Audit:	Jan 18th – 22nd, 2021

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the International Cyanide Management Institute for Code Verification Auditors.

I attest that this Audit Report accurately describes the findings of the verification audit. I further attest that the verification audit was conducted in a professional manner in accordance with the International Cyanide Management Institute for Mining Operations Verification Protocol and using standard and accepted practices for health, safety and environmental audits.

San Andres Mine		Jan 22nd, 2021
Name of Operations	Signature of Lead Auditor	Date

DETAILED AUDIT REPORT

1. PRODUCTION: Encourage responsible cyanide manufacturing by purchasing from manufacturers who operate in a safe and environmentally protective manner.

Standard of Practice

1.1 Purchase cyanide from manufacturers employing appropriate practices and procedures to limit exposure of their workforce to cyanide and to prevent releases of cyanide to the environment.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 1.1

Discuss the basis for this Finding/Deficiencies Identified:

San Andres (Minerales de Occidente S.A. de C.V. - MINOSA) purchases solid sodium cyanide from Cyanco International, LLC - Houston Production Plant (Cyanco), located in Alvin, TX. This plant was recertified under the Code on February 27th, 2020. There is a two-year contract in place dated November 30, 2018, that was automatically extended in November 2020 for two more years. This agreement includes the production, supply and delivery of sodium cyanide briquettes at Puerto Cortez in San Pedro Sula. The contract and purchasing records were available for review by the auditor.

Article 10 of the contract requires that sodium cyanide supplied by the seller must be produced in a facility having a current certification under the International Cyanide Management Code. A new contract for 5 years is currently under evaluation with Cyanco as San Andres is planning to use cyanide in Isotanks in the near future instead of cyanide boxes.

Cyanide purchased by San Andres Mine is manufactured at a facility that is currently certified under the Code. The records and chains of custody verified during the re-certification period indicates that sodium cyanide has been manufactured and delivered from Cyanco facility in Alvin, TX. This plant achieved the original certification in 2013 and has maintained compliance and its ICMI certification since then. The latest recertification was on February 27th, 2020. During this recertification period, San Andres has not purchased or received cyanide from any other vendor.

2. TRANSPORTATION: Protect communities and the environment during cyanide transport.

Standards of Practice

2.1 Establish clear lines of responsibility for safety, security, release prevention, training and emergency response in written agreements with producers, distributors and transporters.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 2.1

Discuss the basis for the Finding/Deficiencies Identified:

In terms of transportation of cyanide, MINOSA has two contracts in place: One with Cyanco for production and transport of cyanide from the plant in Alvin, TX to Puerto Cortez, in Honduras. The other one is with Texas Bunkering Supply & Services (TBSS) for the transportation of cyanide from Puerto Cortez to the mine.

Cyanco transportation supply chain (Global Ocean Supply Chain) from Houston to Puerto Cortez in San Pedro Sula is certified under the Cyanide Code. Last recertification audit was on January 11, 2018. The recertification date was recently extended by ICMI until October 2021 due to COVID-19 restrictions.

The contract with Cyanco includes that the transporter shall comply with the following requirements as stipulated by the Code: Packaging in accordance with the United Nations for international shipments and by the political jurisdictions the shipment passes through; labeling in English and Spanish as the transportation takes place within the United States and via ocean barge transport between United States ports and Puerto Cortez in Honduras; and responsibility for storage prior to shipment. The requirement of addition of colorant dye is not included in the contract as it was signed prior to 2019 when this requirement became auditable; however, the auditor reviewed an email correspondence from Cyanco indicating that the producer is responsible for the addition of red colorant dye inside the cyanide boxes.

Transport from Puerto Cortes to the mine site is performed by the trucking company Texas Bunkering Supply & Services (TBSS) which initial certification on the Code was in March 11, 2015 and last recertification audit was on June 20, 2018. An Addendum report was approved by ICMI in 2020 to include Mac Gyver Transportes, which is not individually certified under the Code and is subcontracted by TBSS. The contract between MINOSA and TBSS was renewed in February 2021.

The contract with TBSS includes in article fifth that the transporter shall comply with the following requirements as stipulated by the Code: evaluation and selection of routes to reduce risks, storage and security at ports of entry, interim loading, storage and unloading during shipment, transportation and unloading at the mine site, safety and maintenance of transport unit throughout transportation, safety training of drivers and handlers throughout the transport, security and emergency response during all transportation. In addition, the transporter must implement plans and adopt emergency response skills.

The contract with Cyanco includes in Article 4.3 that designated responsibilities extend to any subcontractors used by the seller for transportation-related activities. The contract with TBSS also includes extended responsibilities to any subcontractors (i.e. Mac Gyver Transportes) used in the transportation of cyanide from Puerto Cortez to the mine.

2.2 Require that cyanide transporters implement appropriate emergency response plans and capabilities, and employ adequate measures for cyanide management.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 2.2

Discuss the basis for the Finding/Deficiencies Identified:

The contract agreement with Cyanco indicates in Article 10 that the seller is and shall remain a signatory of the Code for the duration of the contract. The contract agreement with TBSS do require the transporter to meet the requirements of the Cyanide Code, although there is no written requirement to be certified. TBSS last recertification audit was on June 20, 2018. Both cyanide transporters (Cyanco and TBSS) to San Andres Mine are currently certified under the Code.

San Andres maintains delivery records for cyanide shipments to the mine. These records identify all transporters of the supply chain. San Andres provided documentation with chain of custody evidence from the point that containers are loaded in the Cyanco Plant until delivery at the mine. TBSS was the only transporter from Puerto Cortez in San Pedro Sula to San Andres mine for the re-certification period. The chain of custody records and delivery records for the cyanide shipments from the Cyanco production plant to San Andres were reviewed for this audit recertification audit period. Purchase orders were reviewed for this audit recertification period. ICMC Summary Audit Reports reviewed demonstrate full compliance with the ICMC transportation protocol for the Cyanco transportation supply chain and TBSS, covering transportation from the production facilities in Alvin TX to Puerto Cortez (by Cyanco), and from there to the San Andres mine (by TBSS).

3. HANDLING AND STORAGE: Protect workers and the environment during cyanide handling and storage.

Standards of Practice

3.1 Design and construct unloading, storage and mixing facilities consistent with sound, accepted engineering practices and quality control and quality assurance procedures, spill prevention and spill containment measures**.**

The operation is: ■ in full compliance
□ in substantial compliance

□ not in compliance with Standard of Practice 3.1

Discuss the basis for this Finding/Deficiencies Identified:

As indicated in previous recertification audit reports, facilities for unloading, storing and mixing cyanide have been designed and constructed in accordance with generally-accepted engineering practices for these type of facilities. The auditor reviewed a document from the Principal Project Metallurgist of Aura Minerals (Persio Rosario, P. Eng., PhD) who completed a review of the unloading, mixing and storage facilities at San Andres in July 2013 and stated in a documented report that the facility inspected was adequate for cyanide storage. The cyanide unloading, storage, and mixing areas were designed and constructed with solid international engineering practices, as determined by the initial certification audit in 2014, and remain substantially unchanged since that time.

San Andres receives solid sodium cyanide briquettes in one ton “bag in box” intermediate bulk container (IBC) plywood boxes. The auditor inspected the cyanide unloading and storage area. Cyanide boxes are unloaded from containers in an open area next to the cyanide storage area and transported inside the storage area using a telehandler. The storage area has sheet metal roofing and meshed walls for ventilation purposes and concrete floor. The storage facility remains locked, except when cyanide is unloaded and stored in the facility, or removed for cyanide mixing purposes.

The field component of the audit confirmed that the cyanide mixing area is located within the internal structure of the ADR plant on concrete hardstanding and maintained in good condition. The cyanide mixing tank is located within containment concrete berms that drains toward a central collection ditch inside the ADR secondary containment area, which ultimately drains to process pond #1.

The unloading area for solid cyanide is located within the fenced ADR Plant facility area that is immediately adjacent to the cyanide storage area. The solid cyanide storage area is located in a dedicated facility located on competent concrete hardstanding, which is located far away from communities or surface waters. The storage area is access-controlled with the appropriate cyanide warning signage, is secured from weather and has adequate ventilation along the four sidewalls. There are no offices located in the proximity of the cyanide storage area. The cyanide storage area has perimeter drains that collects and convey meteoric water by gravity towards process pond #1.

The cyanide mixing tank is located in the ADR plant area within concrete berms that drains toward a central collection ditch inside the ADR secondary containment area, which ultimately drains to process pond #1. This pond acts as the ultimate containment for the ADR plant and cyanide pipelines located in the area. Reagent cyanide is pumped from the cyanide mixing tank to the cyanide storage tank located on top of the leach pad, next to the booster pond (pila de relevo). The cyanide mixing tank is located within impermeable concrete berms to prevent leakage, which was observed to be of sound integrity and considered suitable for containment in the event of a release or tank failure. No cracks in the concrete were observed.

There are two fixed HCN monitors with visual and audible alarms to detect any HCN gases and evacuate the area if HCN concentrations reaches 4.7 ppm. One of them is located by the cyanide storage area and the other one by the cyanide preparation area at the ADR plant.

San Andres has a cyanide preparation area that includes only a mixing tank, as the cyanide storage tank is located at the leach pad area. The cyanide mixing tank has an ultrasonic detection level indicator with a high-level alarm at 80% and a low level alarm at 5%. In addition, the cyanide mixing tank includes an overflow line to the ADR Plant secondary containment system that would divert any contaminated water into the process. Preventive maintenance records for high level alarm sensors at the cyanide mixing tank and found are maintained.

The cyanide storage area is located in a dedicated facility with proper ventilation along the four sidewalls and provides adequate ventilation and build-up of hydrogen cyanide gas is unlikely to occur. In addition, there is an HCN fixed monitor at the entrance of the cyanide storage area. The cyanide storage tank is located next to the booster pond on top of the leach pad area and is separated from any incompatible materials. Access to this area is restricted. The storage area is located under a roof, secured from weather, off the ground and constructed over good condition concrete hardstanding. It also has drainage ditches to direct any meteoric water away from the facility. The risk of potential contact with meteoric water is very low. The cyanide storage area is located within the fenced, secure area of the ADR plant with entry restricted at the ADR Plant gate. Access to the storage area is restricted, with the main access door locked when not in use and with no public access. Appropriate warning signage is posted at access points. The storage area is dedicated to sodium cyanide storage only, with no other materials permitted to be stored. No storage of other materials was observed during the field inspection.

3.2 Operate unloading, storage and mixing facilities using inspections, preventive maintenance and contingency plans to prevent or contain releases and control and respond to worker exposures.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 3.2

.

Discuss the basis for this Finding/Deficiencies Identified:

Procedures for managing empty cyanide containers are described in POP-SA-ADR-CO-09 “Rinsing of cyanide residues”. The auditor observed a cyanide mixing process and disposal of cyanide containers and verified that the procedure was followed at all times. The procedure specifies that bags, plastic materials and empty wooden boxes are placed in a basket and then are transported to a dedicated flushing area located within the ADR plant, where the basket is submerged for 15 minutes inside a concrete pond containing water and calcium hypochlorite. Decontaminated materials are then placed in a concrete platform inside the ADR plant area and sent to the incinerator area for final disposal.

Procedure POP-SA-ADR-CO-06 “Internal Transport of Cyanide and Preparation of Cyanide Solution” requires that empty cyanide bags are rinsed three times with rinse water prior to removing the cyanide bag from the cyanide preparation chamber. Water from the rinsing activities is added into the cyanidation process. In addition, cyanide bags, plastic and wood boxes are then decontaminated with a calcium hypochlorite solution prior to being sent for incineration as final disposal.

Procedure POP-SA-ADR-CO-06 “Internal Transport of Cyanide and Preparation of Cyanide Solution” outlines the requirements for inspection, observation and mixing of cyanide solutions; as well as the operation and function of valves, pumps and various interlocks within the cyanide mixing process. It also includes instructions for the prefill of the cyanide mixing tank with barren and caustic solution. The procedure also provides instructions for the safe handling of sodium cyanide boxes including handling upon receipt, storage and transport to the mixing area. This procedure requires the use of cones to isolate the area during the activity. It also includes a requirement for inspection and clean-up of any spilled cyanide during mixing. No spills related to cyanide mixing were reported for the recertification period. The auditor observed during the field inspection that cyanide boxes are stored limiting stacking of cyanide containers to a maximum height of three per stack.

This procedure also requires operators to use the appropriate PPE during mixing activities. These include rubber gloves, rubber boots, approved respirator, face shield, Tyvek coveralls with attached hood, hardhat, hearing protection, and personal HCN detector. The procedure also requires that two workers are present during the mixing activity. Cyanide-specific first aid and emergency response equipment is available within the ADR Plant Supervisor’s office, including cyanide antidote (amyl nitrite) and medical oxygen.

The cyanide briquettes in the boxes already comes with red colorant dye.

A cyanide mixing event was observed during the audit. The review indicated that San Andres has appropriate procedures and practices to handle and prepare cyanide solutions in a safe manner.

4. OPERATIONS Manage cyanide process solutions and waste streams to protect human health and the environment.

Standards of Practice

4.1 Implement management and operating systems designed to protect human health and the environment including contingency planning and inspection and preventive maintenance procedures.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 4.1

Discuss the basis for the Finding/Deficiencies Identified:

San Andres has developed several operational procedures (SOP) for the safe operation of cyanide facilities, including unloading, mixing and storage facilities, heap leach operations, ADR plant operations, and cyanide detoxification. There are approximately 26 procedures related to cyanide management. All procedures include a description of the tasks to be performed, a section related to PPE requirements, considerations of safety hazards and potential impacts on the environment. Procedures are reviewed and updated periodically to ensure they reflect current practices. Procedures were reviewed and found to be sufficiently detailed to enable safe operation.

San Andres has procedures in place that include critical assumptions and parameters for the safe operation of cyanide facilities. Procedure POP-SA-LM-CO-07 “Management of ponds and leach pads” indicates that water treatment activities should initiate when solution ponds levels reaches 75% capacity. Cyanide concentrations in treated water discharges shall meet Honduras water quality standard of 0.5 mg/l Total Cyanide at the point of discharge. Other critical assumptions and parameters, such as the design storm events for solution ponds and the maximum concentration of WAD (Weak Acid Dissociable) Cyanide in operating ponds are included in procedures.

San Andres has procedure POP-SA-SIG-ER-02 “Management of Change” that includes the identification and review of the proposed changes; analysis and evaluation of the changes by a multidisciplinary team including health, safety and environmental aspects; approval, implementation of the changes, and an evaluation of its effectiveness. The process includes a format which is signed off by all areas that participated in the evaluation of the changes. Examples of completed management of change records were reviewed for the last 3 years, including implementation of raincoats on leach pads and the expansion of Leach Pad Phase 6 1C.

San Andres has implemented contingency procedures for the ADR plant and heap leach facilities to respond to upsets in water balance, deviations from design conditions, problems identified by inspections, and to address temporary shutdowns of the facilities. San Andres has an Emergency Response Plan (ERP) (POP-SA-SST-CO-13) that defines actions to be taken and responsibilities in case of cyanide related emergencies. As mentioned above, San Andres has several procedures for the safe operation of cyanide facilities. These procedures include actions to be taken to regain control of the operation in case of upset conditions identified during cyanide facilities monitoring and inspections. In case of power outages, San Andres has 4 backup generators to provide power and continue operating critical facilities.

San Andres has developed and implemented procedures for cyanide related tasks, which describe the standard practices necessary for the safe and environmentally sound operation of cyanide facilities. The operation has identified equipment, personnel, and procedures for cyanide unloading and mixing activities as well as for storage facilities, processing facilities, heap leach facilities and all associated piping and pumps as having contact with cyanide.

San Andres has developed and implemented an inspection program for cyanide facilities with frequencies that varies from daily, weekly, monthly and annually. Process operators conduct inspections to cyanide facilities every 12-hour shift and on a weekly basis including the ADR

plant, agglomeration area, leach pad, solution ponds, tanks, pipes and valves. Inspections for ponding on leach pads surfaces and the booster pond in the leach pad are also conducted on a daily basis. Inspections of geomembrane areas are conducted on a monthly basis. In the case of wildlife mortalities, process personnel conduct daily visual inspections at the process ponds and leach pads as part of their routine activities. The Environmental department has an annual inspection program including cyanide facilities such as leach pads, ADR plant, crushing and the agglomeration area, which frequencies of inspections varies depending on the criticality of the facility. Wildlife inspections (sighting and mortalities) are also conducted at least weekly at the leach pad and process solution ponds. Process Management also conducts programmed inspections to cyanide facilities on a monthly basis.

Procedure POP-SA-LM-CO-07 “Management of ponds and leach pads” indicates the frequency of inspections to be followed (e.g. pond levels are monitored daily during the rainy season and weekly in the dry season, visual inspections of pond levels are to be conducted on a daily basis, as well as cyanide concentrations coming from the leach pad, among others). The inspection program of cyanide facilities including unloading, mixing and storage activities and frequency of inspections were found to be sufficient to assure that the operation is safe and functioning within design parameters.

Tanks holding cyanide solutions are inspected on a weekly basis for signs of corrosion, leakage and general deficiencies. Inspection reports for the last 3 years were sampled and found to be complete. Nondestructive tests have not been conducted during the recertification period. There was a plan in place to conduct these tests to all tanks in 2020 but it was disrupted by the COVID-19 pandemic. A program and service order to conduct these tests in 2021 to all tanks was reviewed by the auditor during preparation of this report. Secondary containments are inspected on a weekly basis for their integrity, impermeability, the presence of fluids and their available capacity. None of the containment areas has any drains to the adjacent land surface. The ADR plant secondary containment drains to process pond #1. Geomembrane integrity inspections at the leach pad are conducted on a monthly basis. There is one Leak Collection Recovery Systems (LCRS) at each of the process ponds. The LCRS are monitored by Environmental personnel on a weekly basis for flow and cyanide concentrations. Water quality data indicate that there is cyanide concentrations detected between the liners of process ponds #1 - #4. Pipelines, pumps and valves at the ADR plant and heap leach areas are inspected on a weekly basis. Any deficiencies identified are corrected and verified in the following inspection. Inspection forms for the plants and heap leach facilities were verified for the inclusion of items related to deterioration and leakage of pipes, pumps and valves. The heap leach pads and process ponds are inspected on a weekly basis for critical aspects including integrity of surface water diversions and available freeboard. Solution pond levels are monitored daily during the rainy season and on a weekly basis in the dry season.

Records of inspections are retained and were reviewed by the auditor. The inspections are documented and include date of the inspection, the name of the inspector and observed deficiencies. The inspection program also include cyanide unloading, mixing and storage facilities. The auditor reviewed examples of items identified during inspections and records of the implementation of the corrective actions until they were closed. Records of these inspections are maintained.

San Andres has a preventive maintenance program for cyanide facilities. The preventive maintenance program is used to perform necessary maintenance and inspect the integrity of process equipment, piping and tanks according to a maintenance program and every time it is needed to keep equipment and installations working properly. The preventive maintenance program, which is managed using Excel spreadsheets, generates weekly maintenance schedules and plans for the following week and also includes KPIs (Key Performance Indicators) of maintenance activities for the previous week. Corrective maintenance occurs as a result of work orders based on inspections. Work orders generated from inspection forms are entered in the system.

San Andres facilities require between 5.5 to 5.7 MW of power that is provided from the national grid. In case of power outages, the power requirements to run critical equipment (ADR plant) and maintain the water balance is 3.7 MW. San Andres has four emergency power generators on site: two generators of 2MW, one of 1.5 MW and one of 1.0 MW, with a total capacity of 6.5 MW of backup power. This emergency power system is connected to the critical equipment identified that need to be running to prevent any release to the environment in case of a prolonged power outage. San Andres provided examples of preventive maintenance records for the backup power generators for the last three years. In addition to this, San Andres personnel conduct start tests of the power generators on a daily basis. In case of power outages, San Andres has procedure "Start of generators at MINOSA" that details the steps to be taken to provide backup power when required.

4.2 Introduce management and operating systems to minimize cyanide use, thereby limiting concentrations of cyanide in mill tailings.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 4.2

Discuss the basis for this Finding/Deficiencies Identified:

Not applicable to San Andres as this Standard of Practice solely applies to milling operations.

4.3 Implement a comprehensive water management program to protect against unintentional releases.

The operation is: □ in full compliance
■ in substantial compliance
□ not in compliance with Standard of Practice 4.3

Discuss the basis for the Finding/Deficiencies Identified:

San Andres has a positive water balance, with an average annual precipitation of 1500 mm. The operation uses an Excel spreadsheet to manage the water balance, which does not have

probabilistic capabilities to take into account the uncertainty and variability in the prediction of precipitation patterns. To prevent overtopping of ponds due to low probability, high volume rainfall events, the model uses meteorological data collected at site to determine water treatment requirements as well as water needed for the process during the dry season. Solution ponds levels are monitored daily during the rainy season to ensure there is enough pond capacity in case of high volume rainfall events. This information is entered in the water balance on a daily basis during the rainy season and once a week during the dry season. The water balance model, assumptions and calculations are not documented.

The water balance includes the solution rates applied to the leach pads, which is 13 liters/hour/m^2. The required daily volume for leaching purposes plus the minimum water volume to maintain operations are considered as inputs in the water balance.

As mentioned in previous recertification audit reports, the 100-year/24-hour storm event is 216 mm, with a peak rate of 87 mm of rain; however, it was unclear for the auditor if the design storm event has been considered in the water balance. During preparation of this report, San Andres retained an external water balance professional to review their current water balance model and provide a level of certainty that water balance practices can prevent overtopping of the ponds during the operational life of the facility. The report provided by the external water balance professional concluded that currently there is not enough capacity in the ponds to contain a 3-yr/24-hour precipitation events and that the process facilities need to be upgraded to be able to manage and contain large precipitation events. This action is included as part of a corrective action plan (CAP) for San Andres Mine.

There are two weather stations at San Andres: Estacion Fase 1 (located on a leach pad) and Estacion Mina (located at Cerro Cortez). These weather stations collect meteorological data such as precipitation, evaporation, temperature, wind speed and direction, solar radiation, atmospheric pressure, and relative humidity. Meteorological data is available online. Both weather stations have been in operation since 2017; however, San Andres has been collecting on-site precipitation data since 2002. Meteorological data collected on-site is compared with a national meteorological network station located in Santa Rosa de Copan.

The heap leach facilities at San Andres have a surface water control system for controlling and safely directing runoff generated from upgradient watersheds around the heap leach ponds and plants.

The water balance includes the following factors: solution application rates; precipitation; evaporation; raincoats on the heap leach facilities to minimize infiltration of rainfall on inactive portions of the heap; and the capacity and availability of water treatment systems for surface discharges. The heap leach operations recirculate water from process solution ponds #1 - #4 and includes addition of fresh water to maintain the required water balance for operations.

Potential power outages are not considered in the water balance as there are four generators on site as backup power to prevent any release to the environment in case of a prolonged power outage.

Water treatment and water discharges are considered in the water balance. The temporary water treatment plant that is currently used at San Andres has a treatment capacity of 450 m3/hr. The water balance allows to prepare water treatment projections for future months. To reduce water treatment needs, San Andres has installed raincoats on the heap leach facilities to minimize infiltration of rainfall on inactive portions of the heap. Raincoats currently cover 2% of the leach pad area.

San Andres conducts daily inspections and monitoring activities to heap leach pads and solution ponds to ensure they are operated according to the design criteria. Solution pond levels are inspected on a daily basis during the rainy season and weekly during the dry season, and this information is entered in the water balance. This frequency is considered adequate considering the high precipitation rates in the area. In addition, LCRS are monitored and inspected on a weekly basis, and geomembrane areas and diversion channels are inspected on a monthly basis.

San Andres has ponds #1 - #4 for process solutions and ponds #5 and #6 for treated water prior to discharge into the environment. The water balance indicates that water treatment activities should initiate when global ponds levels reaches 75% capacity. The temporary water treatment plant that is currently used at San Andres has a treatment capacity of 450 m3/hr. The operating ponds are inspected daily to maintain the water balance for the site. The freeboard volumes are monitored and recorded. Inspection records for the heap leach facilities and ponds were reviewed for the last 3 years. The auditor also reviewed monitoring data for the last 3 years and verified that the solution volumes at the solution ponds were managed at all times according to the design criteria.

The information from the weather stations is collected by the environmental area and once validated, is included in the water balance model; however, this data is not used to calibrate the model. The external review of the water balance conducted after the field audit included a calibration of the water balance using the meteorological data collected to date. The report provided by the external water balance professional indicates that San Andres will retain the services of an external consultant to calibrate the model on a monthly basis with the precipitation data collected.

4.4 Implement measures to protect birds, other wildlife and livestock from adverse effects of cyanide process solutions.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 4.4

Discuss the basis for the Finding/Deficiencies Identified:

San Andres monitors free cyanide concentrations in ponds #1 - #4 on a monthly basis. These ponds do not have netting or other means to prevent access of birds as WAD cyanide concentrations are usually below 50 mg/l (considering a factor of 2 as a relation between free

and WAD cyanide). These solution ponds are fenced to prevent the entry of wildlife and the heap leach facilities have 1 meter tall berms to prevent access of cattle or other animals. The process plant is also fenced. The only pond where cyanide concentration could eventually exceed 50 mg/l WAD cyanide is the booster pond. San Andres has protection for birds at this pond. Suitable fencing, signage and wildlife (bird) protection netting that completely cover the pond has been installed at this location. Procedure POP-SA-LIX-CO-04 “Management of cyanide solution” requires inspections on leach pads to check for ponding and the required steps to handle surface ponding, including manual excavation to aid drainage and improve infiltration. No wildlife mortalities associated to cyanide have been reported during the recertification period.

San Andres analyzes free cyanide on a monthly basis at process ponds #1 - #4 and at the booster pond. The auditor reviewed cyanide concentrations in the ponds for the recertification period. Considering a factor of 2 as a relation between free and WAD cyanide (i.e. WAD cyanide doubles the amount of free cyanide in solution), WAD cyanide values are generally below 50 mg/l. Two exceedances slightly above 50 mg/l WAD cyanide were observed for the month of December 2020 at Pond #1 due to the application of leaching solutions in lower lifts of the leach pad, which rapidly reported to pond #1. San Andres investigated the issue and implemented controls to avoid this situation from reoccurring.

Procedure POP-SA-LIX-CO-04 “Management of cyanide solution” requires inspections on leach pads to check for ponding and the required steps to handle surface ponding, including manual excavation to aid drainage and improve infiltration. No wildlife mortalities associated to cyanide have been reported during the recertification period.

4.5 Implement measures to protect fish and wildlife from direct and indirect discharges of cyanide process solutions to surface water.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 4.5

Discuss the basis for the Finding/Deficiencies Identified:

San Andres discharges process treated water to the Rio Lara at two locations: Rio Lara Frente a Vivero (RLFV) and Quebrada Casas Viejas Frente a Vivero (QCVFV). Discharges to the environment is via pond #6, following treatment, testing and authorization by a government agency prior to release. Samples from the discharge pond are collected by the government regulatory agency and sent for analysis. If water quality meets discharge standards, the regulatory agency issues an approval to discharge water from the pond. The water balance also considers possible emergency discharges. Direct releases of clean water from the water treatment plant and Ponds #5 and #6 are currently permitted by the government when solution ponds levels reach 85% capacity. Concentrations of WAD cyanide at the discharge points were reviewed by the auditor for the period between March 2017 and January 2021. All WAD cyanide values reported were well below 0.5 mg/l. Samples are analyzed at ALS Vancouver.

San Andres does not have an established mixing zone in Rio Lara after the discharge points RLFV and QCVFV, as this is not a requirement from government agencies. Discharge water samples are analyzed at ALS lab in Vancouver for WAD cyanide instead of free cyanide. The auditor verified quality control and quality assurance information from ALS. Concentrations of WAD Cyanide were reviewed for the period between March 2017 and January 2021. No water samples were collected nor analyzed between March and December 2020 due to COVID-19 pandemic restrictions. Cyanide concentrations for the recertification period are usually non-detectable (<0.005 mg/l). The maximum WAD cyanide value recorded in this period was 0.017 mg/l, which does not exceed the 0.022 mg/l free cyanide required by the Code.
San Andres does not have any indirect discharges to surface water from cyanide facilities. Maximum values of free cyanide do not exceed the 0.022 mg/l standard at the discharge points. There are underdrains below the leach pads and a groundwater well network in the vicinity of the leach pad and solution ponds that are monitored on a periodic basis. WAD cyanide concentrations at these monitoring stations were non-detectable for the recertification period, which means that there are no discharges of more than 0.022 mg/l free cyanide to the receiving environment.

4.6 Implement measures designed to manage seepage from cyanide facilities to protect the beneficial uses of ground water.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 4.6

Discuss the basis for the Finding/Deficiencies Identified:

There is no designated down gradient beneficial use, nor any actual point of groundwater use, nor any applicable groundwater standard. Water for agricultural and livestock purposes is provided from surface water sources located in mountainous areas in the region surrounding the San Andres Mine. Regardless of that, San Andres has taken measures to manage seepage from cyanide facilities including a composite clay and geomembrane liners with underdrain systems in the leach pads and ponds; leak detection recovery systems between liners of the ponds, secondary containments for cyanide facilities in the ADR Plant, among others. There is a groundwater monitoring network with 16 stations in the surrounding areas of the heap leach operation and solution ponds. No cyanide presence has been detected in groundwater samples.

4.7 Provide spill prevention or containment measures for process tanks and pipelines.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 4.7

Discuss the basis for the Finding/Deficiencies Identified:

Spill prevention and containment measures are provided for all cyanide unloading, storage, mixing and process solution tanks. Tanks located at the ADR plant, including the cyanide mixing tank, are within a concrete secondary containment which provides a large containment area. Secondary containment of the cyanide preparation area is connected with the larger secondary containment of the ADR plant. The ADR plant area is contained within a concrete pad surrounded by curbs and walls, providing a competent barrier to seepage. The concrete floor is sloped to drain toward a central collection ditch inside the ADR secondary containment area, which ultimately drains by gravity to process pond #1.

The drainage system from the ADR plant directs all meteoric water to the process pond #1, where any cyanide solution spill would be collected. The process pond #1 represents an additional contingency measure in addition to the existing secondary containment systems of the ADR plant facilities. In case cyanide solution overflows outside of the plant containment systems due to an upset condition, it would also be captured in process pond #1. The cyanide storage area has perimeter drains that collects and convey any meteoric water by gravity towards process pond #1.

The ADR secondary containment system is inspected on a weekly basis as part of the process facilities inspection program. The auditor observed that the concrete containment systems were generally in good condition and free of any fluid.

The cyanide storage tank is located next to the booster pond on top of the leach pad area. Any potential seepage or spill will ultimately be contained within the leach pad area.

San Andres has not changed tanks or secondary containments since the last audit in 2017. Therefore, the original finding is still valid that the containments can hold a volume greater than that of the largest tank plus precipitation. There is a roof over the ADR Plant to prevent precipitation from entering the secondary containment. The auditor observed that the secondary containments were maintained empty, with no materials stored inside them.

Cyanide pipelines at San Andres are located within a secondary containment provided for at the ADR plant and leach pad area, including concrete and plastic lined channels as well as pipe-in-pipe containment where necessary. There are no buried pipelines in the plant area. Pipelines connecting the leach pads, ADR plant, and the solution ponds are lined with HDPE through all its extension to convey any leaks to larger containment areas. Process solution pipes around the leach pads flow by gravity, which helps avoid the risk of potential high pressure releases outside of containment from pressurized pipelines. Cyanide pipelines are inspected on a daily basis as part of the routine inspections by plant personnel, and are also included in the preventive maintenance program.

As mentioned in previous audit reports, no cyanide pipelines present a direct risk to surface water as there is no surface water body that requires special protection over and above the containment measures previously described. Pipelines remain unchanged and retain the same safety features identified in previous audits.

As stated in previous audit reports, all cyanide mixing, storage and process tanks and pipelines are constructed of coated carbon steel and HDPE; which are compatible with high pH cyanide solutions.

4.8 Implement quality control/quality assurance procedures to confirm that cyanide facilities are constructed according to accepted engineering standards and specifications.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 4.8

Describe the basis for the Finding/Deficiencies Identified:

As indicated in previous recertification audit reports, QA/QC programs for the original construction of the cyanide facilities were not retained during the transfer of ownership of the San Andre mine. The auditor reviewed a document from the Principal Project Metallurgist of Aura Minerals (Persio Rosario, P. Eng., PhD) who completed a review of cyanide facilities in July 2013 and endorsed the quality of cyanide facilities, including the ADR plant, and cyanide storage and mixing areas. QA/QC for the construction of the initial stages of the leach pad and solution ponds were not available for review. The auditor assessed the performance of the heap leach pad and solution pond liner systems during this current ICMC recertification audit by reviewing the water quality data of the underdrains located below these facilities and groundwater wells around the area and determined that the liner system is functioning properly, as no cyanide concentrations have been detected.

New facilities constructed since the 2017 audit include an expansion of the leach pad Phase 6-1B, which was commissioned in 2018. The new facility was built and tested following a quality control and quality assurance program conducted by Wood. The auditor reviewed the QA/QC documentation for the foundation and geomembrane installation, as well as as-built drawings properly stamped and signed off by the engineer of record.

QA/QC records for cyanide facilities are retained by San Andres. For the new cyanide facilities built since 2017 (i.e. expansion of the leach pad Phase 6-1B), the auditor reviewed several documents in hard copy and electronic versions. The auditor also verified that QA/QC records are retained for all other cyanide facilities constructed since 2014 and included in the previous recertification audit.

Qualified engineering companies performed the QA/QC inspections and reviews during construction of the new cyanide facilities at San Andres, and prepared the final construction reports and as-built drawings certifying that the facilities were constructed in accordance with the design drawings and technical specifications. The auditor reviewed records of construction reports, including as-built drawings for the new cyanide facilities (i.e. expansion of the leach pad Phase 6-1B). As-built drawings were properly stamped by a qualified engineer. As mentioned in the previous recertification audit reports, construction of other cyanide facilities since 2014 were reviewed by reputable engineering companies.

4.9 Implement monitoring programs to evaluate the effects of cyanide use on wildlife, surface and ground water quality.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 4.9

Describe the basis for the Finding/Deficiencies Identified:

San Andres has a procedure POP-SA-LA-CO-01 “Surface water, groundwater and liquid effluents monitoring” dated January 2021, that provides details related to sampling techniques, sampling equipment, calibration of field equipment, preservation techniques, monitoring stations, sampling frequencies and parameters to be analyzed. The procedure includes a monitoring program with sampling frequencies for surface, groundwater and treated water discharges that varies from weekly, monthly, bimonthly and biannual. Document POP-SA-LA-CO-04 “Protocol for water sampling, reception and shipping of samples for analysis” complements the monitoring procedure and provides details about duplicate and blank samples, chain of custody procedures, shipping instructions and cyanide species to be analyzed.

San Andres has an environmental lab on site for internal control with the capability to analyze for free cyanide. Water samples for WAD and Total cyanide analyses are sent to ALS lab in Vancouver.

Competent individuals from Aura Minerals have originally developed, reviewed and approved the environmental monitoring procedures. Their names are included in the monitoring procedure: Javier Romero, former HSE Manager for San Andres and forestry engineer with more than 10 years of experience; and Emma Palma, a chemistry engineer. The procedure was last reviewed and updated by Elvis Sanchez, agricultural engineer which is a member of the San Andres environmental team. Analytical protocols for environmental samples are provided by ALS Vancouver lab. The Environmental lab at San Andres uses the references and procedures of the Standard Method for the Examination of Water and Wastewater.

Procedure POP-SA-LA-CO-01 “Surface water, groundwater and liquid effluents monitoring” provides details related to sampling frequencies and locations and preservation techniques, while document POP-SA-LA-CO-04 “Protocol for water sampling, reception and shipping of samples for analysis” includes details about chain of custody procedures, shipping instructions and cyanide species to be analyzed. Examples of completed chain-of-custody records showing proper use of the forms were reviewed. Maps showing the monitoring locations with respect to cyanide facilities were also reviewed by the auditor.

San Andres field data sheets for surface and groundwater samples register in writing the weather conditions, livestock/wildlife activity, field parameters (i.e. conductivity, pH, and temperature) and groundwater levels. Completed monitoring field forms were reviewed by the auditor and verified that these conditions are being registered consistently.

San Andres has prepared a map of surface water and groundwater sampling locations, and monitors cyanide at discharge locations at Rio Lara (WAD cyanide): Rio Lara Frente a Vivero (RLFV) and Quebrada Casas Viejas Frente a Vivero (QCVFV). No exceedances of regulatory limits or Code limits for free CN (0.022 mg/l) have been found during the recertification audit period. Surface water and groundwater (WAD cyanide) at several locations both upstream and downstream of the discharge points and in the surrounduings of the heap leach facilities and solution ponds. No cyanide species have been detected in surface and groundwater samples.

During the last 3 years, San Andres has been successful at preventing wildlife mortalities related to cyanide facilities. Controls in place have shown to be effective. San Andres has a procedure dated July 2020 that includes a format to report fauna mortality and sighting, and a register.
The leach pad and ponds are inspected daily for wildlife mortalities by Process personnel and on a weekly basis by Environmental personnel. No wildlife mortalities related to cyanide have been reported in the last three years.

San Andres has an annual monitoring program that includes sample locations, frequencies, and cyanide species and other parameters to be analyzed. The monitoring program includes sampling frequencies that varies between weekly, monthly, bimonthly and biannual. Samples are sent for analysis to ALS lab in Vancouver. Cyanide species (WAD, total) are analyzed on weekly, monthly and bimonthly samples. Records were available and reviewed by the auditor for all sampling and monitoring activities. The frequencies of the monitoring activities were deemed to be appropriate by the auditor.

5. DECOMMISSIONING: Protect communities and the environment from cyanide through development and implementation of decommissioning plans for cyanide facilities.

Standards of Practice

5.1 Plan and implement procedures for effective decommissioning of cyanide facilities to protect human health, wildlife and livestock.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 5.1

Describe the basis for the Finding/Deficiencies Identified:

San Andres has a conceptual closure plan which was originally presented to the authorities in 2013 and was updated in 2020 by external consultant NFS Proyectos Integrales. The Honduras government does not require mining companies to present a stand-alone closure plan for approval. This plan is presented by San Andres to the authorities as part of its annual environmental report. The conceptual closure plan includes a section for decommissioning of cyanide facilities such as the ADR plant, refinery, crusher, conveyor and agglomeration area,

water treatment plant and leach pad. Decommissioning activities include decontamination of equipment, removal of residual cyanide reagents, rinsing of heap leach pads with water and subsequent water treatment prior to discharge to the environment. Decommissioning activities include all the necessary steps to bring the facility's components to a safe, chemically stable condition, such that they do not present a risk to people, wildlife or the environment due to their cyanide content.

The San Andres conceptual closure plan includes a general implementation schedule. Decommissioning activities and final closure are expected to last 5 years, starting with the ADR plant, refinery, crusher, conveyor and agglomeration area, followed by heap leach rinsing and water treatment. This schedule will be refined in subsequent years as San Andres gets closer to the closure phase.

San Andres conducts annual reviews of the conceptual closure plan and associated costs to conform to Aura Minerals internal financial requirements. Local regulations do not require mining companies to conduct a periodic review of their closure plans. The plan is updated to reflect concurrent reclamation of certain areas of the mine and the addition of new mining areas.

5.2 Establish an assurance mechanism capable of fully funding cyanide-related decommissioning activities.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 5.2

Describe the basis for this Finding/Deficiencies Identified:

San Andres develops and updates on an annual basis a closure cost estimate as part of Aura Minerals Asset Retirement Obligation (ARO). The auditor reviewed the 2020 conceptual closure plan developed by NFS Proyectos Integrales, which includes a total closure cost estimate of US$ 21.35 million (MM). For the previous year, closure cost estimate was US$ 22.90 MM. The costs were estimated using third-party rates. The conceptual closure plan includes a complete list of closure tasks with unit rates.

According to Aura Minerals requirements, San Andres reviews and updates annually its closure costs, including decommissioning costs for cyanide facilities, as part of the Asset Retirement Obligation (ARO) cost estimation exercise. The current closure cost estimate is US$21.35 MM, which is slightly lower than the previous amount of US$ 22.90 MM.

The local government requires mining companies to establish for each project a guarantee equivalent to 1% of the investment cost. San Andres has established guarantees for 9 projects that are currently in operation. These guarantees are updated every year. The amount of all these guarantees (< US$ 1MM) are not sufficient to cover closure costs and decommissioning activities. This guaranty is not intended to cover all closure expenses, but rather it is to promote

the effective closure by the mine owner. As such, San Andres has established self-insurance or self-guarantee as a financial assurance mechanism to cover closure costs.

As local and central authorities has no requirement for financial assurance of closure activities, San Andres has established self-insurance as a financial assurance mechanism for closure activities, which includes decommissioning of cyanide related facilities. The 2020 closure cost estimate was under review by PricewaterhouseCoopers LLP (PWC) at the time of the field audit and preparation of this report. As such, the auditor reviewed a letter from PWC dated September 21st, 2020 for the review of MINOSA Financial Statements as of December 31st, 2019, that includes closure and reclamation costs, verifying its conformance with the financial tests for a self-guarantee mechanism to cover the estimated costs for cyanide-related decommissioning activities.

Financial evaluation methodology used by the external financial auditor includes the assessment of the Asset Retirement Obligation (ARO) liability in the period it was incurred. The liability equals the present value of the expected cost of retirement/remediation. An asset equal to the initial liability is added to the Balance Sheet, and depreciated over the life of the asset. The result is an increase in both the assets and the liabilities.

The auditor reviewed the statement from PricewaterhouseCoopers and confirmed that the self-insurance was calculated including the estimated decommissioning cost and that the operation has sufficient financial strength to fulfill the self-insurance obligation. The auditor also verified the professional certification of the financial auditor.

6. WORKER SAFETY: Protect workers' health and safety from exposure to cyanide.

Standards of Practice

6.1 Identify potential cyanide exposure scenarios and take measures as necessary to eliminate, reduce and control them.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 6.1

Describe the basis for the Finding/Deficiencies Identified:

San Andres has developed operating procedures that describe the steps, controls and precautions to be taken in facilities where cyanide is used, that are aimed to minimize worker exposure to cyanide. These procedures provide detailed information on risks involved with each task and adequately describe safe work practices. Documented procedures have been prepared for unloading and storage of solid cyanide; mixing of cyanide solutions; operation of the ADR Plant; operation of the leach pads and ponds and entry into confined spaces. A procedure for equipment decontamination prior to conducting maintenance activities was developed and

submitted to the auditor during preparation of this report. Evidence of communication and training to the workforce on this procedure was provided to the auditor. It is the auditor's judgement that this condition has been addressed in a timely manner and does not represent a significant risk to the environment or the health and safety of the workforce. All procedures include a section related to PPE requirements, considerations of safety hazards, potential impacts to worker exposure and the environment.

San Andres has standardized the development of procedures which includes a section with required personal protective equipment (PPE) for each activity. San Andres developed a risk matrix to define required PPE for each activity. This risk matrix was developed by an external consultant in 2008 and was updated in 2019. In addition, procedure POP-SA-SST-CO-09 "Personal Protective Equipment" describes how to protect the different parts of the body and how to properly use the PPE. The procedures include the following sections: Objectives, responsibilities, tools/equipment to perform the task, personal protective equipment (PPE) required for each task, description of the tasks, consideration of safety and health risks and environmental aspects, and log of changes to the procedure. Some procedures include pre-work inspections forms.

In addition to the use of general PPE, such as hard-hat, steel toes shoes, and safety glasses throughout the mine site, areas and/or tasks where personnel may encounter cyanide have additional PPE requirements. It was verified during the audit that several procedures require the use of special PPE in activities or tasks where personnel may come into contact with cyanide. For example, it was confirmed that hard hat, hearing protection, rubber boots, rubber gloves, chemical suits, approved full-face respirator and HCN gas monitors were in use for tasks that were performed at the cyanide mixing area.

San Andres has procedure POP-SA-SIG-ER-02 "Management of Change" that includes the identification and review of the proposed changes; analysis and evaluation of the changes by a multidisciplinary team including health, safety and environmental aspects; sign-off by health, safety and environmental personnel, approval and implementation of the changes, and an evaluation of its effectiveness. The process includes a format which is signed off by all areas that participated in the evaluation of the changes. Examples of completed management of change records were reviewed for the last 3 years, including implementation of raincoats on leach pads and the expansion of Leach Pad Phase 6 1C.

San Andres has implemented several mechanisms in which takes into account worker input for the development of health and safety procedures. These mechanisms include Daily Safety Dialogue (DDS), where safety and occupational health matters are discussed in 5-minute talks; IPER-C pre-work risk assessments process, where workers identify potential risks associated with the work and communicate any potential procedural or other problems to a supervisor; safety approach, in which supervisors observe workers conduct certain tasks, provides feedback to the worker on safety practices and deviations observed, and the worker has a chance to provide ideas on how to correct them; safety and Hygiene Mixed Commision periodic meetings, where union workers and employees meet to discuss safety topics; and review of procedures meetings, where the supervisor discusses the procedures with workers and operators, and they provide feedback before the procedure is finally approved.

6.2 Operate and monitor cyanide facilities to protect worker health and safety and periodically evaluate the effectiveness of health and safety measures.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 6.2

Describe the basis for the Finding/Deficiencies Identified:

San Andres has determined the appropriate pH for limiting the generation of HCN gas during cyanide mixing and other production activities. Specifically for the cyanide mixing activity, the procedure POP-SA-ADR-CO-06 “Internal transport of cyanide and preparation of cyanide solution” indicates that prior to pouring the sodium cyanide briquettes in the mixing tank, pH should be above 11.5 and adjusted by using sodium hydroxide. Observation of the cyanide mixing procedure confirmed that the mix tank pH was checked prior to addition of sodium cyanide briquettes. The pH values are measured in the mixing tank with a fixed pH meter. Solutions within the leach circuit required that pH is to be maintained at a minimum of 10.0 to maintain cyanide in alkaline solution and limit the generation of HCN.

San Andres has 7 stationary cyanide monitors Sense Alert Plus located at the ADR Plant, agglomeration area, conveyor #8, booster pond, cyanide mixing area, cyanide storage area and the lab. Cyanide detectors are checked every shift by process personnel and every 22 days by Health & Safety personnel, to ensure that the equipment is working properly. Personal HCN handheld monitors Gas Alert Altair MSA (5 in total) are in use during operations where cyanide is present, such as the agglomeration area, conveyor #8, conveyor #13, booster pond, ADR plant and cyanide mixing area. Personal protection equipment (PPE) requirements defined in cyanide handling procedures and maintenance procedures call for the use of a personal HCN monitor during specific operations where there is a potential for exposure to HCN gas. Operators and maintenance personnel were observed using these monitors throughout the audit. Stationary and handheld HCN monitors are set up to produce a visual and sound alarm at 4.7 ppm and 10 ppm to limit worker exposure to HCN. Several procedures indicate that if HCN gas concentration exceeds 4.7 ppm, the operator should evacuate the area immediately.

San Andres has identified the areas where workers may be exposed to cyanide in excess of 10 parts per million on an instantaneous basis and 4.7 parts per million continuously over an 8-hour period. These areas are the places where San Andres has installed stationary HCN monitors (ADR Plant, agglomeration area, conveyor #8, booster pond, cyanide mixing area, cyanide storage area and the lab). Stationary cyanide detectors have a data logger system which records data for 22 days. The auditor sampled HCN data for the last 3 years at the ADR plant, booster pond and conveyor #8 and verified that all values recorded are below 4.7 ppm. Procedures for cyanide handling in the storage area, cyanide mixing, agglomeration area, and leaching process identify the potential for worker exposure to cyanide and require the use of the handheld HCN monitors as part of the required PPE. Signage listing the PPE requirements to enter a cyanide facility has also been installed at appropriate entrances.

Stationary cyanide monitors are calibrated every 22 days. The Health and Safety Department keeps records of calibration for the Sense Alert Plus stationary monitors. According to the manufacturer, these monitoring equipment should be calibrated every month. In addition, HCN stationary monitors are sent for calibration by an external vendor once a year. Handheld HCN monitors are self-calibrated every time the equipment is turned on. In addition, the Health and Safety Department calibrates the equipment every 22 days to ensure that the alarm is set and working at 4.7 ppm. These handheld HCN monitors are replaced every year. Calibration records for the stationary and handheld monitors are maintained indefinitely and were available for review.

Warning signs are posted in all areas where cyanide is present advising workers that cyanide is present and that smoking, open flames and eating and drinking are not allowed, and that, if necessary, suitable personal protective equipment must be worn. The signs are in Spanish, which is the language of the workforce. The PPE requirements are also posted in each area. Pictograms indicate the required PPE. The auditor completed visual inspections of signage at the ADR Plant, heap leach operations, booster pond and solution ponds, and found that signage was adequate. Induction training for employees includes information on typical warning signage used at San Andres for cyanide.

San Andres receives cyanide from Cyanco. Since April 2019, the cyanide briquettes in the boxes already come with red colorant dye. The concentrated cyanide solution mixed on site has a red color for clear identification.

San Andres has installed showers, eye wash stations and fire extinguishers at strategic locations throughout the operation in all areas where there is a potential for exposure to cyanide. Additionally, bottles of eye wash solution were found at remote locations. Showers and eye wash stations are inspected on every shift by process personnel and every month by Health and Safety personnel. The auditor checked showers and eye wash stations during the site tour to verify functionality. The auditor also reviewed records of checklists and inspections of showers and eye wash stations. Fire extinguishers are inspected and tested monthly. Inspection records are kept visible with a check list tag attached to the extinguisher. The auditor randomly checked fire extinguishers to confirm they are an acceptable type for use with cyanide. All extinguishers observed were fitted with inspection tags, which documented monthly inspection checks.

San Andres has identified tanks and pipes that contain cyanide solution to alert workers of their contents. Pipes containing cyanide are painted purple, are marked as containing cyanide solution, and flow direction is indicated. Cyanide mixing, cyanide storage and process tanks are marked as containing cyanide. The auditor followed the cyanide solution circuit from the cyanide mixing area to the heap leach pad facilities. During the visual inspection of the ADR plant and interview with operators, there is evidence that workers are aware of the meaning of the color coding applied in the operation to identify cyanide presence.

San Andres has available Material Safety Data Sheets and first aids procedures at critical areas where cyanide is managed. Plastic binders were observed at every location including MSDS, a plan to respond to cyanide emergencies, procedure for handling and dosing of amyl nitrate, and a leaflet with information about safe use and handling of cyanide. AII information related to cyanide management including MSDS information, procedures and emergency response plans

were found to be in Spanish, the workforce language at the site. The MSDS was provided by Cyanco and the auditor verified that it corresponds to the latest version provided by the manufacturer.

Procedure POP-SA-SST-CO-015 “Accident investigation” details the process to report, investigate and evaluate all accidents and incidents, including cyanide exposure incidents. This procedure documents the requirements to report and investigate health, safety and environmental related incidents to determine the basic causes of the incident and provide corrective and preventive actions to ensure that a similar incident does not reoccur. Accidents and incidents/near misses are classified according to its severity. Immediate reporting is required for high severity incidents. The incident report is distributed within management staff. The incident investigation procedure was reviewed during the audit and was found to be comprehensive. Examples were available to show that several minor incidents had been appropriately investigated and corrective actions taken. No cyanide related emergencies occurred during this ICMC recertification cycle requiring the implementation of the emergency response procedures.

6.3 Develop and implement emergency response plans and procedures to respond to worker exposure to cyanide.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 6.3

Summarize the basis for this Finding/Deficiencies Identified:

San Andres has made available water, oxygen, a resuscitator, antidote kits, radios, telephones and alarm systems at critical areas where cyanide is managed. First aid kits including oxygen, amyl nitrate, gauze, and ambu bags are stored in plastic boxes, together with MSDS and first aid procedures, at different locations including the cyanide storage area, ADR plant, agglomeration area, conveyor #8, conveyor #13, booster pond, metallurgical lab and Environmental lab.

During the recertification period, San Andres had to change the cyanide antidotes due to limited availability to procure amyl nitrate from external vendors. Until January 2019 San Andres used amyl nitrate. Since that date, the first aid procedure consisted in the use of oxygen as immediate response and transfer to the clinic for treatment with sodium thiosulfate. Between January and February 2020 the first response consisted only in the dosage of oxygen. Starting March 2020 the site acquired cyanokits. Amyl nitrate antidotes were procured in January 2021. San Andres is currently evaluating alternatives to the use of amyl nitrate for treatment of cyanide emergencies.

Operators are required to carry a radio while performing their tasks in the most critical areas were cyanide is handled, such as the cyanide mixing facilities. Radio frequency to be used in case of emergencies is channel #1. Emergency notification would be via cellular phone or

internal radio frequency used by supervisors and superintendents at remote locations and by telephones located within the ADR Plant.

The resuscitator is located at the site´s clinic and is also carried in the site's ambulance to the place of the emergency as part of the first aid response. The ambulance also carries oxygen bottles. The clinic also has medical oxygen bottles, and 9 cyanokits that are stored at the recommended temperature range.

First aid equipment is inspected on a monthly basis by the Health & Safety Department (which includes the Emergency Response Team and Medical personnel) to ensure it is operational. Process personnel check the first aid equipment on a daily basis to ensure it is in place. This verification includes inspections of cyanide antidote kits (amyl nitrite) and first aid stations. Amyl nitrate is stored in refrigerators. Inspections include checks of expiration dates of cyanide antidote kits and storage at the recommended temperature range. The antidotes were all found to be within expiration date.

San Andres has POP-SA-SST-CO-006 "Emergency Response Plan" (ERP) dated July 2020 that includes a section to respond to accidents related to cyanide exposures; and procedure POP-SA-CO-CO-07 "Treatment in cases of acute cyanide intoxication" that describes what is to be done in the event of a cyanide exposure. Specific instructions are provided to treat victims who are exposed to sodium cyanide via inhalation, ingestion, and dermal routes. Instructions detail the steps to be taken for conscious versus unconscious victims. Emergency contact information is included. In addition, procedure POP-SA-CO-CO-02 "Medical treatment and first aid" describes the roles and responsibilities of the medical staff including nurses and doctors.

San Andres has its own onsite capability (infrastructure, equipment and medical resources) to provide first aid and medical assistance to workers exposed to cyanide. The site has a complete medical facility (clinic) located close to the mine area. Medical staff for each shift include a doctor, nurse and a driver for the ambulance. The clinic is well-equipped for dealing with many types of medical emergencies, including cyanide exposure. The clinic has an ambulance in case victims need to be evacuated to local hospitals. Procedures are in place for treatment of cyanide exposure, for determining the need to evacuate a victim to a local hospital, and for evacuating victims using the ambulances.

Cyanide treatment is provided on-site by company medical staff in the medical clinic. It is expected that any victim will be treated for cyanide on-site, and once it has been stabilized, the doctor will decide if transfer to the Santa Rosa Medical Center is required to provide additional medical care. An ambulance is maintained at the clinic to transfer victims if needed. Procedures are in place for treatment of cyanide exposure, for determining the need to evacuate a victim to Santa Rosa Medical Center (located approximately 1 hour drive from the mine site), and for evacuating victims using the ambulances. For life, critical scenarios that exceed the Santa Rosa Medical Center capabilities, victims would be transferred to either San Pedro Sula or Tegucigalpa as part of the private medical insurance network that San Andres provides to the workers.

Cyanide treatment is provided on-site by company medical staff in the medical clinic. San Andres would manage any cyanide exposures without involving other local clinics. It is expected that any victim will be treated for cyanide on-site, and once it has been stabilized, the doctor will

decide if transfer to the Santa Rosa Medical Center is required to provide additional medical care. The Santa Rosa Medical Center is part of the private medical insurance network that the mine provide to the workers, and San Andres has many years of experience working with them.

San Andres conducts mock emergency drills according to an annual emergency drills program. The auditor reviewed evidence of emergency response drills during the re-certification period which included scenarios with cyanide intoxication and cyanide releases that required to test the full hazardous materials response protocol. The emergency drill report identified improvement opportunities and corrective actions. Some of the drills reviewed included scenarios of cyanide solution releases and HCN gas exposure at the ADR plant and booster pond (January and December 2020). Firefighters from Santa Rosa participated in the drills conducted in December 2020. The execution of the annual drill program was impacted in 2019 due union strikes, and in 2020 by COVID-19 pandemic restrictions. Drills are developed to include a variety of locations and exposure responses. Drills are developed in advance and risk assessed to minimize potential impact of event unpreparedness.

7. EMERGENCY RESPONSE: Protect communities and the environment through the development of emergency response strategies and capabilities.

Standards of Practice

7.1 Prepare detailed emergency response plans for potential cyanide releases.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 7.1

Describe the basis for the Finding/Deficiencies Identified:

San Andres has POP-SA-SST-CO-006 “Emergency Response Plan” (ERP) dated July 2020 that sets out emergency response procedures for the entire mine site including scenarios involving cyanide releases and injuries. Procedures for alerts, initial response, PPE requirements, emergency response duties, communication, evacuation, training requirements, first aid and spill response are also provided in the ERP. In 2020, the ERP was reviewed and certified by the firefighter department of Santa Rosa for the first time, as part of a new legal requirement of the local and national authorities. The ERP considers the following cyanide emergency scenarios: Transportation incidents; Releases during fires in the cyanide storage area; Cyanide solution spills; HCN gas intoxication; Leach pad and process ponds releases to surface or groundwater

The ERP provides response procedures for all potential cyanide failure scenarios required by the ICMC mine protocol, including: catastrophic release of hydrogen cyanide, transportation accidents, releases during unloading and mixing, releases during fires and explosions, equipment failure (valve, pipe or tank ruptures), overtopping of the ponds, power outages, uncontrolled seepage, failure of the cyanide treatment process, and failure of the heap leach facilities. In addition, the ERP includes as an appendix the transportation route from Puerto

Cortez to the mine site, a list of potential emergency scenarios with cyanide and the procedure for first aid in case of cyanide exposure.

Transportation of cyanide to the site by truck is included in the San Andres ERP, and considers the conditions of the road from Puerto Cortes to the mine site. Texas Bunkering Supply and Services (TBSS), the cyanide trucking company, would have primary responsibility for a spill of solid cyanide during transportation from Puerto Cortes, but would draw on resources from San Andres for support if the spill occurred close to the mine site. San Andres has a copy of the TBSS ERP dated 2019, which was also reviewed by the auditor.

Site specific response actions for site personnel and potentially-affected communities, use of cyanide antidotes and first aid measures for cyanide exposure, control of releases and assessment, mitigation and future prevention are included in the ERP. In the event of an emergency involving cyanide, the ERP provides for specific actions to be undertaken. Any emergency that has the potential to affect the surrounding communities will trigger the notification requirements outlined in the ERP. The General Manager or delegate will notify authorities and, if required, will inform potentially affected communities. Initial response, first aid and the use of cyanide antidotes by trained medical personnel is also included as an Annex in the ERP. The ERP also provides responses to cyanide spills or leaks from ADR plant and heap leach facilities, and makes provision for initial response, first aid, and spill reporting control and cleanup. The Emergency Response Team (Emergency Brigades) have received training to respond to cyanide emergency incidents. In addition, all employees are trained in emergency communication and evaluation procedures. San Andres incident reporting and investigation procedure will trigger the evaluation of root causes from an incident involving cyanide release, and will include preventive actions to avoid future events.

7.2 Involve site personnel and stakeholders in the planning process.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 7.2

Describe the basis for the Finding/Deficiencies Identified:

San Andres involves its workforce in the cyanide emergency response planning. During training of the Emergency Brigades (EB), and after emergency mock drills, staff and the workforce has opportunity to provide feedback. San Andres has included local communities in ERP development/planning to a limited extent. The auditor reviewed training records (November 2020) of cyanide awareness and emergency response training in the communities that are in the vicinity of the mine such as Azacualpa, San Andres and San Miguel, as these communities could be affected by a potential cyanide spills, especially San Miguel, which is located downgradient of the mine. The training included the use of cyanide at the San Andres mine and actions that would be taken if there was a release into the local community. Many of the workers at the mine are from these local communities, which means they have also received cyanide training as part of the new employee induction process. The auditor verified that San Andres maintains sufficient

medical resources, infrastructure and equipment that would not require to treat exposed patients to cyanide in medical facilities off-site. It is expected that any victim will be treated for cyanide on-site, and once it has been stabilized, the doctor will decide if transfer to the Santa Rosa Medical Center is required to provide additional medical care.

San Andres provides to the communities a flyer called “Cyanide and the Community” that includes information on what to do in case of a cyanide emergency. Many of the local community members either work or have close family members who work at San Andres. TBSS, the trucking company that transport cyanide to the mine, also provides training to communities along the transportation route.

The ERP does not provide specific functions to outside responders as San Andres has the resources, equipment and first response capabilities to deal with cyanide related releases and exposures during transportation and within the mine facility. Regardless of that, medical staff at the Santa Rosa Medical Center have received briefings on dealing with cyanide poisoning. The auditor verified that San Andres maintains sufficient medical resources, infrastructure and equipment that would not require to treat exposed patients to cyanide in medical facilities off-site. It is expected that any victim will be treated for cyanide on-site, and once it has been stabilized, the doctor will decide if transfer to the Santa Rosa Medical Center is required to provide additional medical care.

Training on cyanide awareness and emergency response was provided to the surrounding communities that could be affected by a potential cyanide spills. The training included the use of cyanide at the San Andres mine and actions that would be taken if there was a release into the local community. Communities are not expected to play any response role in case of a cyanide incident other than staying away from the area of the incident and report any accidents to the authorities and the mine. In 2020, the ERP was reviewed and certified by the firefighter department of Santa Rosa for the first time, as part of a new legal requirement of the local and national authorities. Firefighters and other local response entities will only be requested to participate to provide additional resources, if needed.

7.3 Designate appropriate personnel and commit necessary equipment and resources for emergency response.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 7.3

.

Describe the basis for the Finding/Deficiencies Identified:

The ERP includes an operational structure to respond to emergencies. There is a Unified Command led by the General Manager (GM) and/or Health, Safety and Environment (HSE) Manager. The GM has authority to ensure that sufficient and adequate resources are allocated to carry out the ERP.

Emergency Brigade (EB) responsibilities are described in the ERP. San Andres has a total of 26 brigade members conformed by personnel from different areas of the mine. In every shift there is a minimum of 6 brigade members.

The ERP includes in Annex 4 training requirements for the EB and it is the responsibility of the Emergency Response Leader to ensure that training is provided and maintained. The Emergency Response Leader reports to the Health and Safety Manager onsite. In addition, the EB received external training once a year in emergency response. The ERP include call-out procedures. Main way of communication is by radio. Contact information of the EB is managed as a separate document from the ERP. The functions and responsibilities of the Unified Command, Emergency Response Leader and brigade responders are detailed in Section 6 of the ERP.

Emergency response equipment including PPE´s is provided in Annex 8 of the ERP. The list includes among others: clothing for fire intervention, equipment for rescue at heights, transportation and vehicle rescue, haz-mat and support equipment.

The cyanide emergency response equipment is checked regularly, however, no records of checklists were available for review by the auditor. During preparation of this report, San Andres sent evidence of inspections to emergency response equipment, regaining control of the situation and addressing the deficiency.

The ERP does not provide specific functions to outside responders as San Andres has the resources, equipment and first response capabilities to deal with cyanide related releases and exposures during transportation and within the mine facility. In 2020, the ERP was reviewed and certified by the firefighter department of Santa Rosa for the first time, as part of a new legal requirement of the local and national authorities. Firefighters and other local response entities will only be requested to participate to provide additional resources, if needed. In addition, in Firefighters from Santa Rosa participated in the mock drills conducted in December 2020.

7.4 Develop procedures for internal and external emergency notification and reporting.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 7.4

Describe the basis for the Finding/Deficiencies Identified:

The ERP includes procedures to notify management, regulatory agencies, outside response providers and medical facilities in case of an emergency. Contact information for outside responders and medical facilities are included in Annex 3 of the ERP. Procedure POP-SA-RSC-COM-01 “Communication with stakeholders on Health, Safety and Environmental matters”, provides details on how to notify external parties in case of emergencies and contact information of regulatory agencies.

The ERP includes procedures to notify potentially affected communities and communication with the media in case of an emergency. Procedure POP-SA-RSC-COM-01 “Communication with stakeholders on Health, Safety and Environmental matters”, provides details on how to notify communities in case of emergencies and contact information of community representatives.

7.5 Incorporate into response plans monitoring elements and remediation measures that account for the additional hazards of using cyanide treatment chemicals.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 7.5

Describe the basis for the Finding/Deficiencies Identified:

The ERP includes remediation measures for liquid and solid cyanide spills, including materials to be used for cleanup and for disposal of contaminated spill clean-up materials. Procedure POP-SA-MA-CO-12 “Cleanup of soils contaminated with chemical products” provides details on how to clean contaminated soil. In the case of cyanide spills, sodium or calcium hypochlorite that, is stored at the warehouse, will be used in a solution at 5% for neutralization purposes. The procedure also indicates the depth at which impacted soil must be excavated and how samples should be taken to determine that the area is clean. All cyanide-contaminated material is disposed of in the heap leach area. The drinking water supply for local communities around the San Andres mine is from springs located upgradient of the mine. No alternative drinking water supply would be required in the case of a cyanide spill.

San Andres ERP specifically prohibits the use of cyanide treatment chemicals (sodium hypochlorite, hydrogen peroxide and calcium hydroxide) when responding to a cyanide emergency where cyanide has been released into surface water.

The ERP includes information on environmental monitoring following a cyanide release to surface soils and water, including sampling and analytical methodologies to be followed. Possible sampling locations are also included. San Andres has an extensive water monitoring program that would be modified as necessary in case of a spill. The Environmental Department would manage the characterization, extent and remediation of a spill, and is responsible for reporting spills to the regulatory agencies. San Andres monitoring plan includes surface water and groundwater sampling and regulatory reporting program that must be initiated if cyanide is detected downstream of process ponds and leach pad facility.

7.6 Periodically evaluate response procedures and capabilities and revise them as needed.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 7.6

Describe the basis for the Finding/Deficiencies Identified:

San Andres ERP latest review was conducted in July 2020. According to document control procedures, the ERP should be reviewed and updated every two years to ensure that information is kept up-to-date and that the plan remains appropriate for the mine. The ERP is reviewed to identify any required changes, and to test and review the adequacy of emergency procedures with drills and exercises. Also, the ERP is reviewed after significant changes, new projects, incorporation of new hazardous materials, new significant aspects or after a significant unwanted event occurs. The ERP was originally developed in 2010. In 2020, the ERP was reviewed and certified by the firefighter department of Santa Rosa for the first time, as part of a new legal requirement of the local and national authorities. This certification is required to be renewed every year. Previous and current versions of the ERP were reviewed to verify changes and updates conducted during the recertification period.

San Andres conducts mock emergency drills according to an annual emergency drills program. The auditor reviewed evidence of emergency response drills during the re-certification period which included scenarios with cyanide intoxication and cyanide releases that required to test the full hazardous materials response protocol. The emergency drill reports identified improvement opportunities; and corrective actions were not generated nor implemented. Some of the drills reviewed included scenarios of cyanide solution releases and HCN gas exposure at the ADR plant and booster pond (January and December 2020). Firefighters from Santa Rosa participated in the drills conducted in December 2020. The execution of the annual drill program was impacted in 2019 due union strikes, and in 2020 by COVID-19 pandemic restrictions. Drills are developed to include a variety of locations and exposure responses. Drills are developed in advance and risk assessed to minimize potential impact of event unpreparedness.

There have been no cyanide-related emergencies during the recertification audit period requiring the implementation of the emergency response procedures. Periodic reviews of ERP are completed. The ERP would be reviewed as part of the corrective action completed following any cyanide-related emergency.

8. TRAINING: Train workers and emergency response personnel to manage cyanide in a safe and environmentally protective manner.

Standards of Practice

8.1 Train workers to understand the hazards associated with cyanide use.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 8.1

Describe the basis for the Finding/Deficiencies Identified:

All new hires, contractors and visitors at San Andres receive an initial general induction training on health, safety and environmental matters before they can start working or enter the mine. Module 5 of this induction (Cyanide use and management, and environment) includes information about the production process and the use of cyanide, its characteristics, health effects, risks, controls, storage and handling, PPE, signage, areas of risk, fires, spills, HCN monitors, symptoms, first aid, and emergency response. There is a training matrix that is managed by the training department. Training materials are available for induction training for all employees. Refresher training is provided annually on cyanide hazards. The auditor reviewed the content of Module 5 training presentation. Interviews with employees working near the booster pond, at the heap leach operations and in the ADR Plant were conducted, showing knowledge on cyanide management.

Daily Safety Dialogue (DDS) (toolbox talks) are also provided to workers that would include cyanide management and health effects of cyanide; these are provided by supervisors. Sign in sheets are used to record attendance. The daily toolbox talks are the primary means used to provide refresher training in recognition of cyanide hazards.

Annual refresher training including cyanide is provided in San Andres. Training includes chemical and physical properties of cyanide; hazards of cyanide; symptoms of cyanide exposure; emergency response; and first aid, including use of oxygen and amyl-nitrite. The training includes a written test. Also, Daily Safety Dialogue (DDS) (toolbox talks) are provided to workers that would include cyanide management and health effects of cyanide. The daily toolbox talks are the primary means used to provide refresher training in recognition of cyanide hazards. The auditor reviewed refresher training records which were offered at different times to cover all shifts, covering the recertification audit period.

Training records, including refreshers and cyanide hazard training for San Andres personnel are retained by the training coordinator, which is part of the Human Resources Department, in the form of hard copies and also an electronic version stored in Microsoft Excel spreadsheet format. Training records were reviewed for the audit recertification period and were found to be complete. Training records identify the trainer, trainee, topics covered, date and sign off sheet. Since 2020, San Andres is implementing and using the software Inediti to keep track of training records. Due to COVID-19 pandemic restrictions, during 2020 most of the training has been conducted on virtual mode.

8.2 Train appropriate personnel to operate the facility according to systems and procedures that protect human health, the community and the environment.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 8.2

Describe the basis for the Finding/Deficiencies Identified:

New employees and any contractor worker that will perform cyanide related tasks in San Andres receives orientation training, which includes elements specific to the storage, use and disposal of cyanide in the operation. Employee specific training include a detailed annual program that covers operational procedures in the storage area, ADR plant and leach pad. Aspects such as cyanide awareness, response, process information, hydrogen cyanide monitor and alarm operation, and location of cyanide safety equipment are included. This training program covers key operating procedures: cyanide unloading and storage, cyanide mixing in the process plant, HCN monitoring systems, pH adjustment, leach pad irrigation cells placement and operation.

Experienced supervisors provide training on cyanide hazards, work procedures and PPE in classroom sessions and in the field using the operating procedure documents. Supervisors are trained to provide this training to workers. Refresher training on procedures is tracked and records are signed by both the supervisor and the trainee. Employees are also instructed on the use of risk assessments and area inspections, which are carried out within work areas. San Andres also engaged outside specialists from Cyanco to provide training on cyanide matters. In 2020, due to COVID-19 pandemic restrictions, Cyanco provided virtual training to San Andres personnel that had access to computers (chiefs and supervisors). The training included a test at the end of the session to evaluate effectiveness.

San Andres has developed a comprehensive list of procedures for the process plant and leach pad operations that define the steps required to complete a task that involves cyanide handling in a safe manner. The annual procedures training program is prioritized based on tasks and risks with sign off required from both the trainer (process trainer or supervisor) and the trainee. Training elements required for a task or area is recorded on a training sheet. The auditor verified that procedures used at the process plant and leach pad operations that involve the use and handling of cyanide are included in the annual program. Training elements such as required personal protective equipment (PPE) and decontamination requirements are included in the training materials used to train operators and maintenance personnel. Training materials were available for review.

On-the-job training by a senior operator or supervisor is also conducted prior to allowing a new employee to work alone. The trainee is provided with the procedures for review and then the supervisor verifies his understanding. After that, the trainee works under direct supervision of the supervisor, then it is supervised by an operator, and once the trainee has acquired experience, is allowed to work on its own. This process can take up to 8 months. San Andres requires that all tasks involving cyanide are conducted by two people.

Training on specific tasks is provided by the process trainer or by supervisors or lead operators that have successfully passed a “train-the-trainers” course. In some cases, supervisors are also considered qualified to provide training based on their experience. The train-the-trainers latest course was provided in January 2021 by Cyanco and included topics such as cyanide risks; health effects; cyanide controls; emergency response; among others. Cyanco provided recommendations on how to improve cyanide management practices. Reviewed training records confirmed that trainers had received training from Cyanco on cyanide handling. Process plant personnel also received training on hazardous materials handling and emergency response

provided by Firefighters of Santa Rosa in 2020, and by a US Air Force firefighter captain in 2018 and 2019.

AII new employees and contractors that will work or might encounter cyanide during their tasks, are trained on cyanide before being allowed to operate onsite. Training includes cyanide awareness training and, for those that will be working within the process plant and leach pad, review and understanding of operating procedures related to their tasks is mandatory. Some of the aspects covered include cyanide alarms and monitors, first aid and use of cyanide safety equipment.

Annual refresher training including cyanide is provided in San Andres. Module 5 “Cyanide use and management, and environment” presentation includes chemical and physical properties of cyanide; hazards of cyanide; symptoms of cyanide exposure; emergency response; and first aid, including use of oxygen and amyl-nitrite. The training includes a written test. In 2020, this training was provided in virtual mode. Additional training is also provided by external personnel (e.g. Cyanco). Besides the annual cyanide refresher training, San Andres also provides re-training on operating procedures, which includes cyanide hazards and controls, and is performed in an annual training program. Experienced supervisors provide re-training on cyanide hazards, work procedures and PPE in classroom sessions and in the field using the operating procedure documents. Supervisors are trained to provide this training to workers. Refresher training on procedures is tracked and records are signed by both the supervisor and the trainee.

Task observations by supervisors are used to evaluate competency of workers and effectiveness of training. Evaluation of the cyanide training received is by observation of tasks performed by workers to ensure they are following appropriate work procedures and using suitable PPE when working with cyanide. The auditor reviewed the checklist used to conduct these task observations, and interviewed supervisors in the ADR Plant and in heap leach operations. In addition, written tests are also used to evaluate effectiveness of training.

Training records documenting the training that was received are retained throughout an individual’s employment. Training records include the name of the trainer, trainee, date, subject covered and is signed by both the trainer and trainee. Written and verbal tests are completed to demonstrate the employees understanding of the training materials.

8.3 Train appropriate workers and personnel to respond to worker exposures and environmental releases of cyanide.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 8.3

Describe the basis for the Finding/Deficiencies Identified:

All operators within Supply chain and Process plant operations, which includes cyanide unloading, mixing, production, and maintenance personnel, are provided with site-specific

hazard training including cyanide awareness, hydrogen cyanide monitoring, emergency response, recognition of cyanide exposure symptoms, cyanide exposure first aid, and actions to be taken in the event of a cyanide spill. Response procedures are covered during hazard and awareness training and during cyanide refresher training (Module 5). Operators and maintenance personnel in different areas and shifts were interviewed and demonstrated good awareness of what actions are to be taken in the event of cyanide release.

Personnel who work in areas where cyanide is present receive training in decontamination and first aid procedures. Cyanide awareness training to operators includes actions to take in the event of a cyanide spill. New-hire, refresher training and operational procedures training program covers the possible cases of cyanide exposure and includes decontamination practices and first aid response. Training courses “Safe use and management of cyanide” and “Cyanide uses and emergencies” provides details on how to respond to cyanide emergencies. Operators receive training on response to cyanide spills during their initial induction, during regular DDS toolbox talks and as part of their refresher training. Emergency response drills are held with production and maintenance personnel to ensure that they can respond to an emergency and that their skills remain current. Site response personnel take part in routine drills to test and improve their response skills.

San Andres has an Emergency Brigade (EB) on site. The EB has a total of 26 brigade members conformed by personnel from different areas of the mine. On every shift there is a minimum of 6 brigade members. EB members are trained through participation in mock drill exercises as well as formal training programs. The auditor interviewed members of the emergency response team and found them to have received training on cyanide hazards and to be knowledgeable on how to manage cyanide releases, including use of response equipment. Mock scenarios and drills are regularly undertaken to test the effectiveness of the EB. The review of drill reports in the last three years showed that the EB actively participated in emergency drills including scenarios involving cyanide emergencies. The EB received training on hazardous materials handling and emergency response provided by Firefighters of Santa Rosa in 2020, and by a US Air Force firefighter captain in 2018 and 2019. Cyanco also provided a training session to the EB in January 2021 and included topics such as cyanide risks, health effects, cyanide controls, and emergency response, among others.

No off-site emergency responders would be included in an emergency response to a cyanide release. The ERP does not provide specific functions to outside responders as San Andres has the resources, equipment and first response capabilities to deal with cyanide related releases and exposures during transportation and within the mine facility. In case of cyanide exposures, it is expected that any victim will be treated for cyanide on-site, and once it has been stabilized, the doctor will decide if transfer to the Santa Rosa Medical Center is required to provide additional medical care. Regardless of that, medical staff at the Santa Rosa Medical Center have received briefings on dealing with cyanide poisoning.

Annual refresher training including cyanide is provided in San Andres. Module 5 “Cyanide use and management, and environment” presentation includes chemical and physical properties of cyanide; hazards of cyanide; symptoms of cyanide exposure; emergency response; and first aid, including use of oxygen and amyl-nitrite. In 2020, this training was provided in virtual mode.

Additional training is also provided by external personnel (e.g. Cyanco). Besides the annual cyanide refresher training, San Andres also provides re-training on operating procedures, which includes cyanide hazards and controls, and is performed in an annual training program. Refresher training on procedures is tracked and records are signed by both the supervisor and the trainee.

San Andres conducts mock emergency drills according to an annual emergency drills program. The auditor reviewed evidence of emergency response drills during the re-certification period which included scenarios with cyanide intoxication and cyanide releases that required to test the full hazardous materials response protocol. Some of the drills reviewed included scenarios of cyanide solution releases and HCN gas exposure at the ADR plant and booster pond (January and December 2020). Firefighters from Santa Rosa participated in the drills conducted in December 2020. Drills are developed to include a variety of locations and exposure responses. Drills are developed in advance and risk assessed to minimize potential impact of event unpreparedness.

The emergency drills are reviewed afterwards to identify lessons learned, including any additional training that may be required, either for operators or for members of the emergency response team. Training procedures would be revised if any deficiencies are identified. The Emergency Response Brigade Leader was interviewed as part of evidence for this requirement and confirmed that after running a mock drill, a debriefing session is held providing feedback on performance. Any required changes to the management systems or procedures are implemented. Further training needs based on these changes are also documented and implemented. The emergency drill reports identify improvement opportunities and corrective actions.

Training records, including refreshers and cyanide hazard training for San Andres personnel, are retained by the training coordinator, which is part of the Human Resources Department, in the form of hard copies and also an electronic version stored in Microsoft Excel spreadsheet format. Training records were reviewed for the audit recertification period and were found to be complete. Training records identify the trainer, trainee, topics covered, date and sign off sheet.

9. DIALOGUE: Engage in public consultation and disclosure.

Standards of Practice

9.1 Provide stakeholders the opportunity to communicate issues of concern.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 9.1

Describe the basis for the Finding/Deficiencies Identified:

San Andres continued using mechanisms to provide opportunities to stakeholders to communicate their concerns related to cyanide management, including engagement programs, meetings, and tours to the mine site.

In January 2020, San Andres implemented a program called “Open Mine” that includes tours to the mine by students, schools, journalists and other stakeholder. This program was suspended due to COVID-19 pandemic restrictions. 62 people visited the mine in 2020. Tours to the mine were also held in 2018 and 2019. San Andres has also implemented in 2020 a program called “Itinerant Mine” in which the mine appears in the media (e.g. TV) and visits the communities to provide information about the mine, including cyanide management and handling. This program includes a presentation that covers all aspects of the operation, including cyanide. 400 people participated in this program in 2020.

San Andres has developed a flyer called “Cyanide and the Community” that includes information on what to do in case of a cyanide emergency. These flyers are distributed massively in meetings with communities and stakeholders. San Andres also has a grievance mechanism in place to receive, process, manage and resolve complaints and grievances in a timely and consistent manner. Complains are received via phone calls. There have been no cyanide related complaints in the last 3 years. San Andres provides information using social media (Facebook, LinkedIn, Instagram) where stakeholders can raise concerns or questions about any topic, including cyanide.

The Community Relations department maintains a community engagement plan, which includes a schedule of meetings with provincial authorities, agencies and communities. In addition, it has implemented an open door policy that includes a program for attention to families of the surrounding communities, where the families held private meetings with San Andres’ representatives to raise questions about any subject, including cyanide management.

Communities around San Andres has not raised any issues about cyanide in past years. Community concerns are primarily with job opportunities, water pollution, wildlife impacts and human health impacts of mining in general.

9.2 Initiate dialogue describing cyanide management procedures and responsively address identified concerns.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 9.2

Describe the basis for the Finding/Deficiencies Identified:

San Andres utilizes the same mechanisms described in 9.1 as opportunities to interact with stakeholders and provide them with information regarding cyanide management practices and procedures. These mechanisms include hosting mine tours, the “Open Mine” and “Itinerant Mine” programs, and public meetings with local communities, among others. A flyer describing cyanide

use at the San Andres mine has been prepared for distribution to local communities and stakeholders. Minutes of these meetings, power point presentations, and the cyanide flyer were reviewed by the auditor.

9.3 Make appropriate operational and environmental information regarding cyanide available to stakeholders.

The operation is: ■ in full compliance
□ in substantial compliance
□ not in compliance with Standard of Practice 9.3

Describe the basis for the Finding/Deficiencies Identified:

San Andres has developed written and visual descriptions of how their activities are conducted and how cyanide is managed, and has made these available to communities and other stakeholders. These include a flyer called “Cyanide and the Community“ that includes information about cyanide management and what to do in case of a cyanide emergency; Power Point presentations that are provided in the “Itinerant Mine“ and “Open Mine“ programs; and a description of the mining and processing operations at San Andres is available on the Aura Minerals’ website. The information mentioned above is made available and distributed in different engagement opportunities with communities and stakeholders in general.

The auditor reviewed training records (November 2020) of cyanide awareness and emergency response training in the communities that are in the vicinity of the mine such as Azacualpa, San Andres and San Miguel, as these communities could be affected by a potential cyanide spills. The training included the use of cyanide at the San Andres mine and actions that would be taken if there was a release into the local community. Many of the workers at the mine (65-70%) are from these local communities, which means they are familiar with cyanide management.

Information is disseminated in verbal form in community meetings, mine tours, and the “Open Mine” and “Itinerant Mine” programs. Most of the people from the communities located around the mine speak and write in Spanish. San Andres provides information on cyanide in written format (i.e. cyanide flyer) and oral form (i.e. presentations provided to communities during meetings). The information provided uses diagrams, drawings and photos, and explains aspects in simple language. Records and materials of these meetings were reviewed.

Information on cyanide-release scenarios would be made available publicly by means of local community meetings and by reporting to regulatory agencies in Honduras. Information on cyanide releases would also be included in the annual corporate responsibility report, separately identifying any incidents occurring in San Andres so that stakeholders would be aware of the nature and location of the release.

San Andres has provisions in place to make information publicly available regarding potential cyanide releases or exposure incidents, if any such incidents were to occur. No cyanide exposures or incidents resulting in hospitalization or fatality have occurred prior to or since the

mine was first certified. In case it occurs, it will be communicated to INHGEOMIN (Instituto Hondureño de Geologia y Minas), the mining authority. No cyanide releases off the mine site requiring response or remediation have occurred in the last 3 years. In case it occurs, the Environmental department will communicate it to INHGEOMIN. No cyanide releases on or off the mine site resulting in significant adverse effects to the environment have occurred in the last 3 years. In case it occurs, the Environmental department will communicate it to INHGEOMIN. No cyanide releases on or off the mine site requiring reporting under applicable regulations. In case of occurrence, the emergency procedure requires the site to communicate the incident to INHGEOMIN. No cyanide releases that are or that cause applicable limits for cyanide to be exceeded in the last 3 years. In case it occurs, the Environmental department will communicate it to INHGEOMIN.